

at the beginning of 2003. Business spending has been held back for months by uncertainties surrounding the possibility of war with Iraq. Economists are becoming concerned that the weak job market could pinch consumer spending.

But the job market news wasn't all bad last week. Several economists said they expect the employment statistics to look a bit better in January because of seasonal adjustment factors. And the U.S. government's measure of retail employment fell for December after seasonal adjustments, because retailers hired fewer workers than they normally do in the month. In January, they are conversely likely to lay off fewer seasonal workers, which should boost the retail employment statistics.

Mr. DASCHLE. Mr. President, simply to summarize the article, it says not only are we suffering month-to-month joblessness at levels we have not seen in 8 years, but if you look at the joblessness in the context of the economy over the last several decades, this is one of the most severe slumps we have seen in decades.

So we have both an immediate context and a long-term context. In both of those contexts, as the Wall Street Journal article points out, this matter is of great consequence. Mr. President, 2.3 million jobs, now, in the last 24 months have been lost. What the article simply states is that, while it is a serious immediate concern, we have to be very concerned about the long-term repercussions of this joblessness. I thought it was one of the better articles I had seen in recent times with regard to the economic dilemma we face as we deal with the stimulus package later this month.

Mr. REID. If I could ask one more question? The leader mentioned we were borrowing money. It is true, is it not, that when this administration took over there was a 10-year surplus, in the trillions of dollars? Whether it was \$5 trillion or \$6 trillion, it was trillions of dollars. In the last 2 years every penny of that is gone, and the leader is certainly aware of that, is that true?

Mr. DASCHLE. I would say to the Senator from Nevada, that is one of my greatest concerns. Obviously, the debt we were able to eliminate over the final years of the 1990s, thinking that somehow—I can recall having conversations that we may be spending down the debt too fast. People expressed the concern we might be eliminating the debt too fast.

I just now shake my head in disbelief we even had conversations like that. But, nonetheless, that was one of the concerns expressed by some during that period of time.

I can recall so vividly this question about what it is we were going to do with a \$5.5 trillion projected surplus. We no longer have that surplus projection. We no longer have those year-to-year balanced budgets we were proud to report to the American people. We now have a deficit of \$200 billion to \$300 billion, depending on whether or not you consider the Social Security trust fund. We are expected now to see a def-

icit of \$350 billion in the next fiscal year. So we will see debts of a magnitude we have not seen, deficits of a magnitude we have not experienced as a result of what has happened over the course of the last 24 months.

In spite of it, we are going to be actually borrowing to exacerbate that debt even more, borrowing to provide a tax cut to those at the very top of the income scale.

I have always been concerned about the relationship between the circumstances we face now in the war on terror and the circumstances we faced in World War II. President Roosevelt stood up and said: I want all Americans to sacrifice. In fact, he raised revenue, he did everything possible to ensure there was an adequate degree of sacrifice across the board. Now we are asking young men and women to sacrifice perhaps their lives at the very time we turn around and give a millionaire an \$89,000 tax break. It turns logic on its head, but that is the concern I have.

I appreciate very much the Senator from Nevada raising the question.

Mr. REID. I know how busy the Democratic leader is, but I would ask one more question. The Democratic leader is going into his 9th year being leader of this caucus. Prior to that time Senator Mitchell of Maine was leader. I can remember the Democratic leader today and myself going into a meeting with Senator Mitchell. The problem there is the Republicans were having a mad rush to have a constitutional amendment to balance the budget, but they were going to use Social Security surpluses to offset that deficit. The Senator remembers that, does he not?

Mr. DASCHLE. I sure do.

Mr. REID. You remember at that time I agreed to sponsor an amendment to have a constitutional amendment to balance the budget but not using Social Security surpluses? That worked out well enough that we were able to stop that very mischievous amendment from passing. It would have wiped out Social Security. Social Security would be gone by now.

But I say to my friend, the Democratic leader, the money that is being borrowed now is coming from Social Security. Not only that, the deficit would even be more if they didn't use Social Security surpluses to hide it, isn't that also true?

Mr. DASCHLE. That's the concern we have about a \$200 billion Social Security cushion that is all being drawn down; not only this year, but for every year in the foreseeable future, every year in the coming decade. Every dollar of Social Security revenue coming in will be used to offset the costs involved in running the Government and providing the resources for the tax cuts the President has either advocated or actually enacted.

There is no doubt that the fiscal irresponsibility and the recklessness that comes with the extraordinary reliance

on Social Security trust funds at the very time the baby boomers are coming into retirement age is very troubling. I think it ought to be the subject of a lot more debate and scrutiny in the days and weeks ahead.

Mr. REID. Mr. President, as the leader is leaving the floor, I wish to recognize my friend from North Dakota who after I offered that amendment was on the forefront of the next Congress making sure that we continued our efforts to beat down that mischievous constitutional amendment to balance the budget which would have used the Social Security surplus to balance the budget. I applaud my friend from North Dakota for taking that tough stand which allowed us to move forward and help us defeat one of the most dangerous efforts in the guise of balancing the budget and destroying Social Security.

Mr. DASCHLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Dakota.

FUNDING FOR COMMITTEE STAFFING AND THE PRESIDENT'S TAX CUT PROPOSAL

Mr. JOHNSON. Mr. President, I rise today to make observations on two important points that have already been alluded to by my colleagues from South Dakota and Nevada during this session. One has to do with the need to resolve the issue of funding for committee staffing.

One ordinarily would think this would be an administrative decision that would not be of enormous consequence, but the fact is, until that is resolved, this Senate is not able to go forward with legislation of any kind, much less to resolving the fiscal year 2003 appropriations issue involving 11 of the 13 appropriations bills remaining incomplete and needing work. These are bills that should have been concluded prior to October 1 of last year, and yet here we are now well into January with that work incomplete.

I have some concerns about the size of the budget cuts—roughly \$9 billion—that will be required, apparently, to come out of these 11 appropriations bills in order to accommodate President Bush and the Republican leadership budget baseline to which they have agreed. I look forward to offering amendments to moderate that for purposes of agriculture, veterans health care, and other areas. But we cannot go forward, in any way, until a resolution is reached.

Unfortunately, the majority leader, at this point, appears to have taken the position of the far right of his caucus in demanding that his party have

two-thirds of the funding versus one-third for the Democratic side. It does not take a rocket scientist to conclude that with a 51-to-49 division in the Senate—consistent with what we did in the most recent Congress—a funding division of two-thirds to one-third is not fair.

I appreciate that there is precedent going back a number of years for that kind of divide, but most recently, with the then-majority leader, Senator DASCHLE, in place, we accommodated our Republican colleagues with a much narrower divide of committee budgeting. That is the right way to proceed. It is the only way that will allow us to go forward with our work. It certainly is my hope that the majority leader will see the error of his ways and return to a more moderate, more responsible approach to the funding of these committees and concur with the recommendations of Senator DASCHLE, the Democratic leader, so we may get on with the work of the people.

Secondly, I have to share with my colleagues some thoughts on the budget tax proposal submitted by President Bush. I stand here as 1 of 12 Democrats who joined in an effort of moderating President Bush's initial \$1.35 trillion tax cut. Our thought was that by participating in that effort, we could moderate its cost, make it more fiscally responsible, as well as redirect some of its benefits to middle-class and working families, to people who really make our economy go, and certainly in a way that is consistent with the interests of my home State of South Dakota.

We did that, but we did that at a time when the projections were that we were going to run up a \$5.6 trillion budget surplus over the coming 10 years. We had just come from 4 consecutive years—the final 4 years of the Clinton administration—of budgets in the black, and we were paying down the national debt. There was concern about whether we would pay down the national debt too quickly. That, believe it or not, was the concern at the time. We had budget surpluses as far as the eye could see, and there was no war on the horizon. So the environment was considerably different.

Now we find ourselves, with the passage of that tax bill, with changes in the economy and with a war possibly imminent. We hope not, but we certainly are very cognizant of the fact that we may wind up in Iraq and expending literally hundreds of billions of dollars in that effort to make sure that our men and women in uniform have the resources they need if, in fact, we wind up in that kind of conflict.

So the environment is radically different. Now we find ourselves with deficits as far as the eye can see. Now we find ourselves utilizing Social Security trust fund dollars, according to the administration's Office of Management and Budget, for the remainder of this decade. Now we find ourselves not paying down the accumulated national debt at all, much less paying it down

too quickly, as President Bush and his administration coached us to fear a short time ago.

So now we find ourselves with this radically different environment. Yet the President comes to us with a plan which would cost \$675 billion over the coming 10 years. If you take into consideration the interest payments that would have to be made—because every dime of that will have to be borrowed; we will have to borrow that money out of the Social Security trust fund to pay for these tax cuts—if you take into consideration the interest costs, it comes to cost roughly \$933 billion over the coming 10 years. We would be deep in the red as far as the eye could see. And this is before you take into consideration the added costs of war, before you take into consideration what else could happen to the economy.

This would involve about a \$108 billion tax cut in the coming year, primarily for Wall Street and for the superwealthy, although there are a few grains of benefit for middle-class families. But, by and large, that is a very modest part of the overall plan we would borrow money to pay for.

Yet at the same time that we are considering this ill-considered, irresponsible plan, we are being told by the administration that we have to cut about \$9 billion out of next year's budget. That comes out of veterans health care. That comes out of education; it comes out of economic development; it comes out of infrastructure; it comes out of highways and airports; it comes out of law enforcement; it comes out of so many areas that are fundamental and vital to America's national interests. That will have to come out this year alone. But that is just the beginning compared to where we would be in future years.

My constituents—Republicans and Democrats alike—in my home State, which is a very agricultural State, are asking me: Why has the President threatened to veto a \$6 billion drought relief bill, for droughts in 2001 and 2002, that has the support of 32 agricultural organizations, from the Farm Bureau to the Farmers Union, liberal to conservative, because of the natural disasters they faced? Why is the President threatening to veto \$6 billion of relief but talking simultaneously about \$108 billion of economic stimulus this year that would go primarily to Wall Street?

What would be more stimulative of the economy than to provide that drought relief across the dozens of States that suffer badly this year? Because of the circumstances the States face, schools in my State are literally on the verge of closing their doors. My hospitals and my nursing homes—because we did not pass the Medicare reimbursement changes last year and seemed to be in no rush to get it done this year—are at risk of closing their doors as well.

Our veterans are standing in lines, 10 and 12 and 14 months long, in my home

State, waiting to gain access to the health care benefits that they fought and struggled for in defending our Nation but for which we do not now have the money to provide.

The priorities laid on the table are astonishing, that the President would recommend \$108 billion of tax cuts this year, to borrow the money to pay for that when we can't come up with the drought relief and the VA health care and can't keep our schools and nursing homes open. What sense does that make?

I am willing to consider some additional tax relief for middle-class families, but the environment has changed radically from what it was a couple years ago. Now we find ourselves in a situation where the most fundamental needs of our people are in jeopardy. We need to take that into consideration.

It is my hope that there will be strong bipartisan opposition to the plan as presented by the President, that we can in fact go forward, come to an equitable division of resources available for committees, promptly take up the 2003 budget, take up the 2004 budget, deal with the shortfalls that we have in rural America for our veterans, education, health care, seniors. And when we have done that, we will see what we can do relative to tax relief for our middle-class working families who struggle so hard every day to meet health care payments and house payments and to keep their kids in school. We will work with them as well, but we can't give away the store. We cannot, regardless of the libertarian political drive behind it, support a budget tax proposal as wildly out of keeping with where most South Dakotans and most Americans of either political persuasion want to go.

I express my frustration that this Nation needs to meet its commitments, it needs fiscal responsibility, and it can only do that by rejecting the President's enormous \$933 billion, over 10-year proposal, and returning to taking care of the needs of our people, returning our budgets to the black and setting the stage for additional prosperity and making sure that we have the resources to deal with whatever military eventuality we may have to face very soon.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. I rise to speak in morning business.

The PRESIDING OFFICER. We are in morning business.

FIGHTING THE WAR ON TERRORISM

Mr. THOMAS. Mr. President, I rise to talk about several issues. First, of